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FATCA/AEOI Alert

OECD: First automatic CRS exchanges to occur this month

15 September 2017

The Organisation for Economic Cooperation and Development (OECD) announced that this month, the first automatic exchanges of information under the common reporting standard (CRS) regime concerning offshore financial accounts to the tax authorities of the residence country of account holders will take place. The OECD reported that currently, there are 102 jurisdictions that have committed to implement the CRS—49 jurisdictions being committed to start exchanges this month and the other 53 jurisdiction expected to begin exchanges in September 2018.

The OECD release notes that the CRS multilateral competent authority agreement (CRS MCAA) is typically the instrument being used for cooperation in tax matters, with 95 jurisdictions having signed the CRS MCAA. While the CRS MCAA is a multilateral agreement, exchange relationships for CRS information are bilateral in nature and are activated when both jurisdictions have the domestic framework for CRS exchange in place and have listed each other as intended exchange partners. There are now over 2,000 bilateral relationships for the automatic exchange of CRS information.

With first exchanges set to happen shortly, the 49 jurisdictions have activated their exchange relationships under the CRS MCAA. The network of bilateral exchange relationships (also including those established through the EU DAC2 Directive and bilateral agreements) applies to over 99% of the total number of possible exchange relationships. In addition, 20 of the 53 jurisdictions committed to first exchanges in 2018 have already put the international legal requirements in place to allow exchanges under the CRS MCAA next year. Another activation round for jurisdictions committed to a 2018 timeline is scheduled to take place in November 2017.

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